



Missouri Department of Natural Resources Energy Center

MISSOURI ENERGY BULLETIN

September 23, 2004

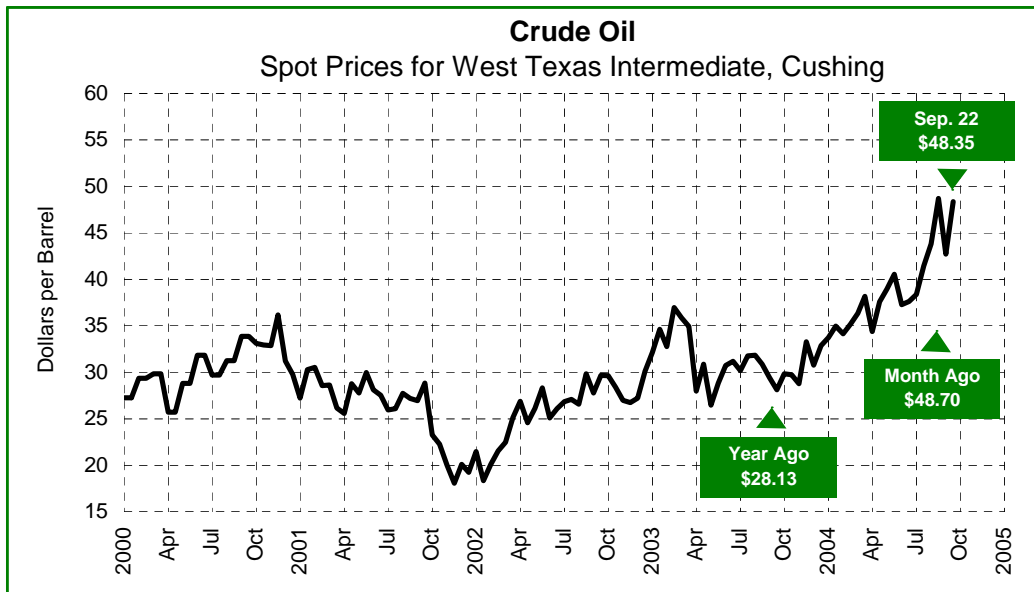
Crude Oil

Crude prices have moved from \$43.90 on September 16 to \$48.35 on September 22, an increase of \$4.45 or 10 percent -- \$0.35 below the record set on August 19 at \$48.70

Crude Oil - Spot Prices (dollars per barrel)

	<u>09-22-04</u>	<u>08-19-04</u>	<u>change</u>	<u>09-15-03</u>	<u>change</u>
WTI	\$48.35	\$48.70	down 1%	\$28.13	up 72%

- Since September 16, crude prices have moved from \$43.90 to \$48.35 on September 22, an increase of \$4.45 or 10 percent in just 6 days, and \$0.35 below the record NYMEX record set on August 19 at \$48.70.
- About 8.5 million barrels of oil production in the Gulf of Mexico was lost since the beginning of last week due to Hurricane Ivan and daily output in the region remains 39% lower at about 1 million barrels per day, according to the Minerals Management Service. However, nearly all platforms and rigs that had been evacuated prior to the hurricane have since been re-staffed.
- The EIA weekly petroleum report for the week ending September 17 notes U.S. commercial crude oil stocks were down 9.1 million barrels as production was shut in and imports dropped below 8.5 million barrels for the week – analysts stress though that the imports are not necessarily lost, just delayed.



- With total inventories at 269.5 million barrels, crude oil is now at the lower end of this time of year, according to the EIA.
- Refiner utilization rates dropped more than 7.5 percent, to 88.1 percent, which like the large crude oil draw and refined products draws, did not come as a surprise to the market as several refineries along the Gulf Coast in the path of Ivan shuttered as a precautionary measure. Other refineries nearby had to curtail production due to the choking off of crude oil supply from domestic production and off shore imports.

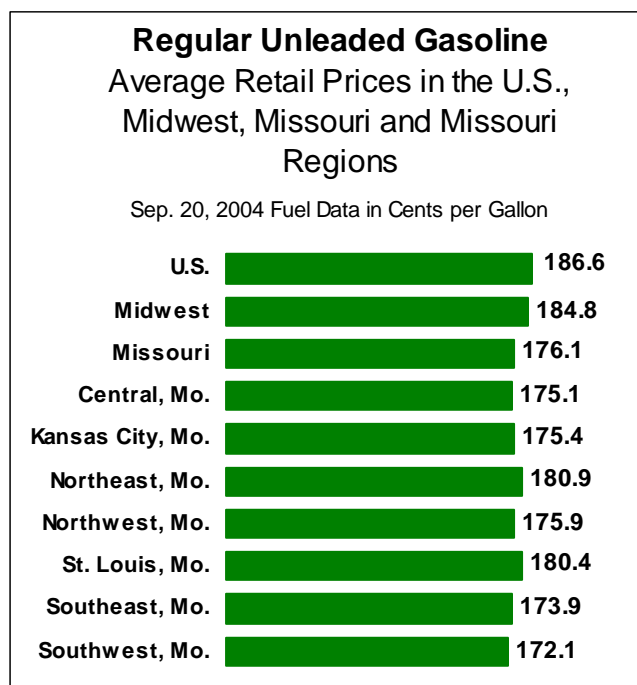
Transportation Fuels

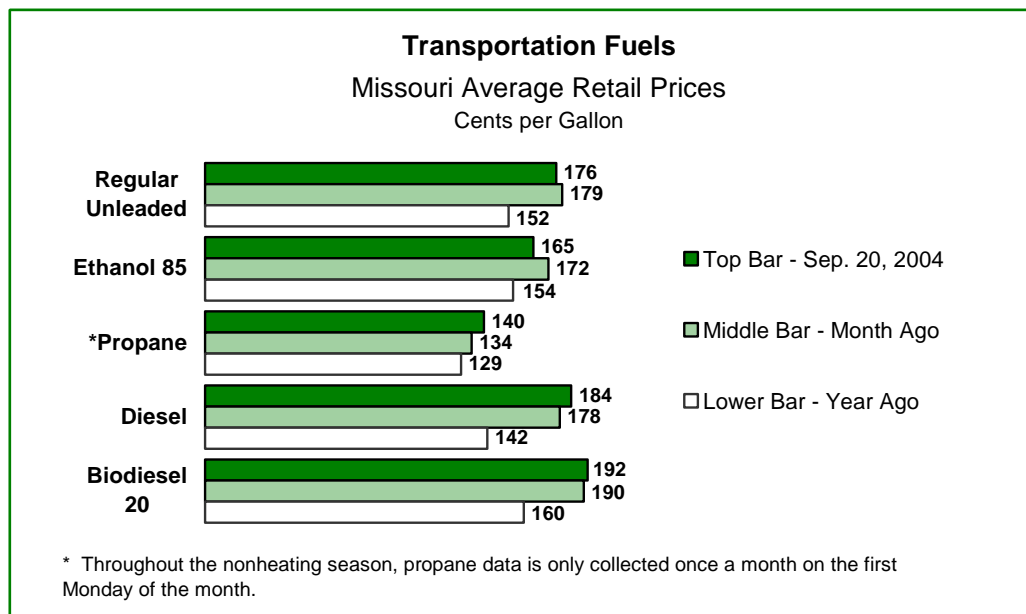
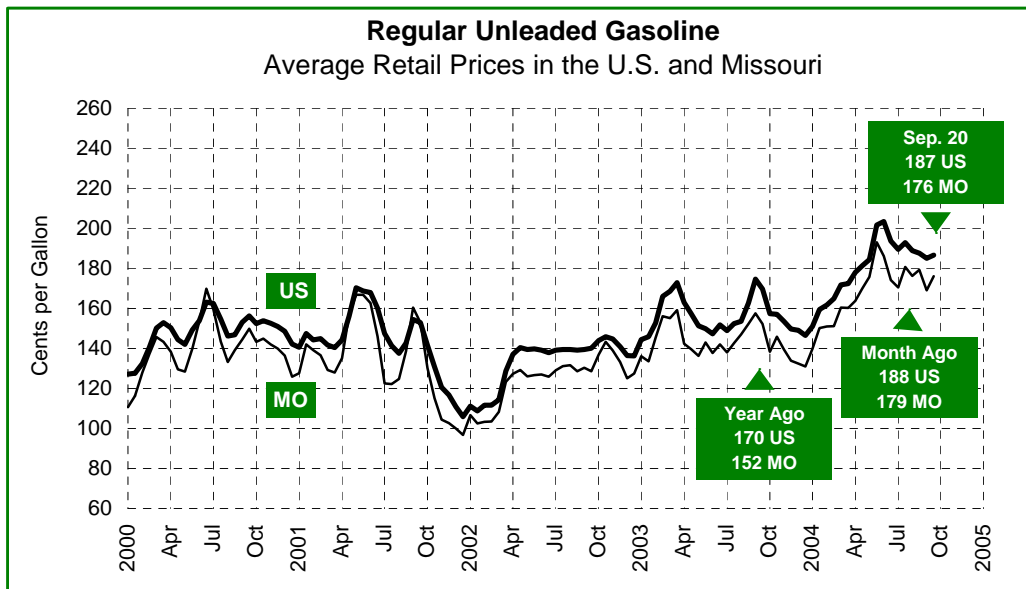
Missouri's average retail price for regular gasoline decreased 3 cents per gallon from the previous month to reach \$1.76 per gallon as of September 20. This is 24 cents higher than this time last year.

<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>09-20-04</u>	<u>08-16-04</u>	<u>change</u>	<u>09-15-03</u>	<u>change</u>
US	187	188	down 1%	170	up 10%
Missouri	176	179	down 2%	152	up 16%

<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>09-20-04</u>	<u>08-16-04</u>	<u>change</u>	<u>09-15-03</u>	<u>change</u>
Missouri	184	178	up 3%	142	up 30%

- Over the last year, Missouri's average retail gasoline prices have increased 7 percent, climbing from 152 cents per gallon to 176 cents per gallon. During the last month, Missouri retail prices have fallen by 3 cents per gallon and peaked at nearly \$2 per gallon on May 17. Retail prices have remained relatively stable due to strong U.S. gasoline production, imports and a reduction in consumer demand over the last month.





Motor Gasoline - Total Stocks (millions of barrels)					
	09-17-04	08-13-04	change	09-12-03	change
US	199.7	205.7	down 3%	195.3	up 2%

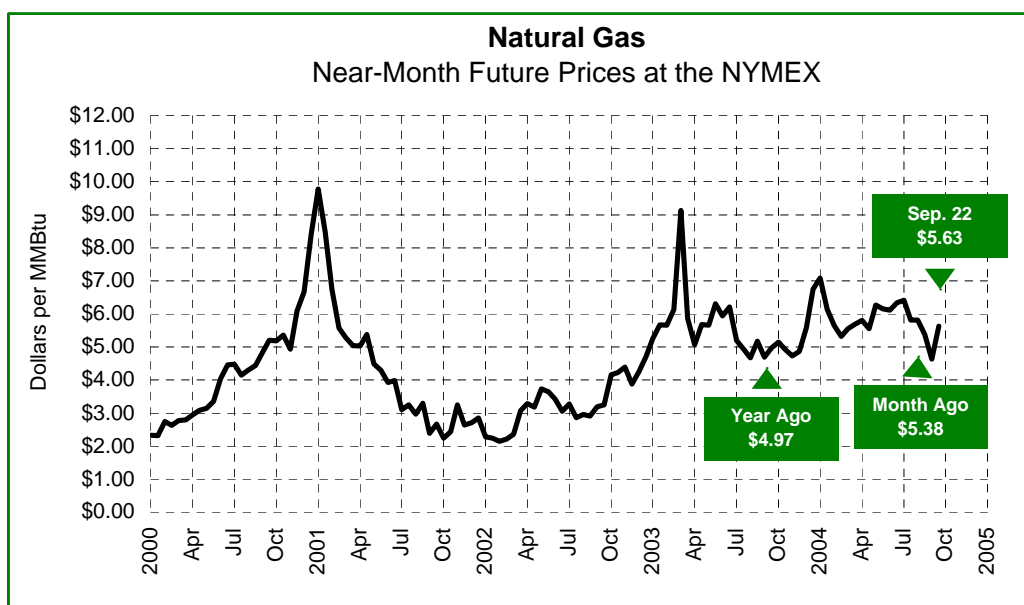
- U.S. gasoline supplies decreased for the week ending Sept. 17 with commercial supplies declining by 6 million barrels from the previous week, placing them at approximately 199.7 million barrels, below the 5-year average for this time of year. U.S. gasoline supplies decreased due to shuttered production by Gulf Coast refineries due to Hurricane Ivan and temporary delays in cargo ship deliveries.
- U.S. gasoline production was estimated at 8.4 million barrels per day and imports contributed an additional 0.9 million barrels per day, well below the 1.2 million barrels per day seen for the week ending Sept. 3.

Natural Gas

On Wednesday, September 22, natural gas futures closed at \$5.63 per MMBtu, an increase of \$0.25 per MMBtu or 5 percent since August 16.

- On September 22, October natural gas futures closed at \$5.63, an increase of \$0.25 per MMBtu or 5 percent as Gulf of Mexico output remains 23% below normal at about 9.5 Bcf per day. Traders continued to short-cover as the focus stayed on the large production outage caused by Hurricane Ivan, as the effects linger far longer than analysts had thought almost a week ago when Ivan made landfall.

Natural Gas - Near Month Future Prices (dollars per mmbtu)					
	09-22-04	08-16-04	change	09-10-03	change
NYMEX	\$5.63	\$5.38	up 5%	\$4.97	up 13%



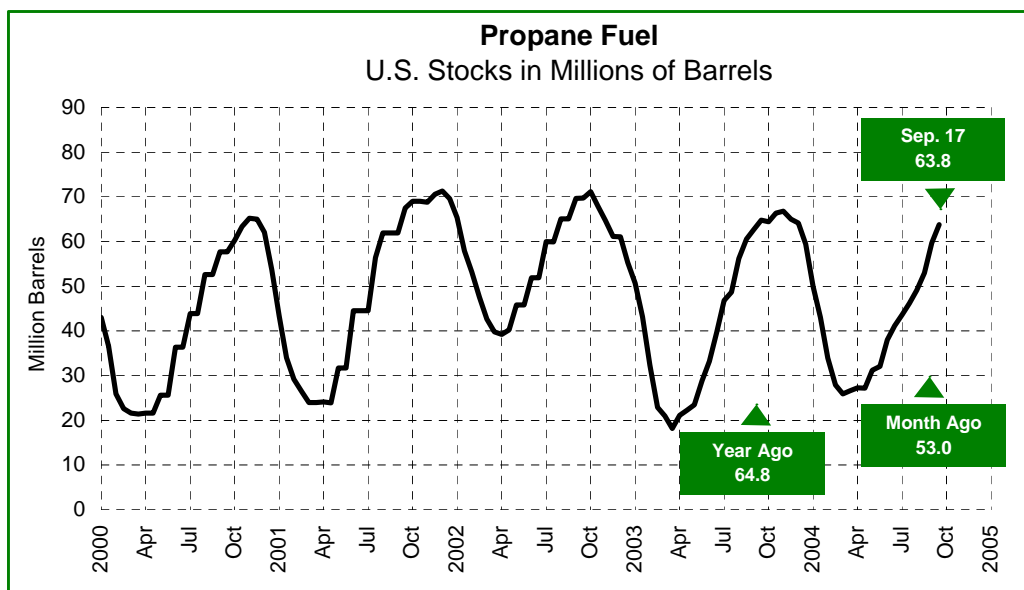
- Working gas in storage was 2,942 Bcf as of Friday, September 17, 2004, according to the EIA *Weekly Natural Gas Storage Report*. This is 188 Bcf, or about 6.8 percent, higher than the 5-year average for the report week. The implied net injection during the report week was 68 Bcf, which is about 17 percent below the 5-year average net addition of 82 Bcf for the week and 32 Bcf less than the injection of 100 Bcf reported for the same week last year. The Minerals Management Service reported Sept. 21 that 22.7 percent of daily natural gas production remains shut-in the Gulf of Mexico 6 days after Hurricane Ivan made landfall. The slow recovery has raised concerns regarding future storage levels.

Propane

Midwest propane supplies improved by 0.3 million barrels for the week ending Sept. 17, placing supplies at 23.9 million barrels, an increase of 2.1 million barrels compared to last year.

Propane - Residential Prices (cents per gallon)					
	09-06-04	08-02-04	change	09-02-03	change
Missouri	129	120	up 8%	108	up 20%

- High imports again contributed to boost U.S. inventories of propane over last week with a 2.2 million-barrel increase that left inventories for the week ending September 17 at an estimated 63.8 million barrels. Although Hurricane Ivan shut down a large portion of Gulf of Mexico ship traffic last week, several large propane cargoes were able to offload in the Houston area during this period. Midwest supplies of propane improved by 0.3 million barrels.
- NYMEX propane future prices settled at \$0.82 per gallon on Sept. 22 compared to \$0.50 this time last year. Sustained crude oil prices above \$40 per barrel (the spot price for West Texas Intermediate crude oil has closed above \$40 per barrel every trading day since July 14) continue to support higher propane prices.



Energy Bulletin Update

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